Janus Henderson INVESTORS

ABSOLUTE RETURN FUND

At a glance

Performance*
The Fund returned 0.19%, the Index returned 0.31%

Contributors/detractors
Positive long positions included Persimmon and Analog Devices, while CRH detracted. Short positions in selected consumer stocks contributed.

Outlook
We believe a strategy targeting a consistent real return regardless of market direction, with the potential to generate positive returns in weaker periods, serves an important purpose in this environment.

Portfolio management



Ben Wallace



Luke Newman

Investment environment

- September was a challenging month for markets, with equity indices broadly falling. A combination of higher energy prices amid ongoing geopolitical tensions, widening fiscal deficits, continued artificial intelligence (AI)-related debt issuance, and resilient economic data pushed government bond yields higher (and prices lower) across major markets.
- Despite this backdrop, AI-related stocks proved relatively resilient, even as safety concerns and calls to slow the development of frontier models gained attention. At the same time, the rollout of agentic AI applications and evolving views on the long-term winners and losers from AI continued to drive differentiation beneath the surface of headline index returns.
- In many respects, September represented a continuation of themes that have characterised much of the year, reinforcing the importance of a flexible and adaptive investment approach in a persistently uncertain investment environment.

Portfolio review

Within the long book, the largest contributor was the core position in UK housebuilder Persimmon. The shares responded positively following media reports suggesting the UK government could introduce further measures to support homebuyers in the upcoming Budget. We believe Persimmon is well positioned to potentially benefit from such an initiative, given its significant exposure to first-time buyers, greater presence in northern regions where affordability remains more favourable, and what we view as a strong management team in the sector. We have complemented the holding with short positions in select UK housebuilders with greater exposure to southern regions and weaker competitive positioning.

Semiconductor-related holdings Analog Devices and AMETEK also performed well as investor confidence in the broader adoption of AI continued to strengthen. Both companies benefit from the growing use of semiconductors across a broad range of everyday products and industrial applications, while continuing to trade at share prices we view as attractive relative to their long-term growth prospects.

MTU Aero Engines was another positive contributor. The company has lagged several civil aerospace peers in recent years as a range of operational factors weighed on performance, but as these headwinds begin to subside, we see scope for improving fundamentals and were encouraged to see the shares outperform parts of the wider sector during the month.

Marketing communication
For professional investors only
Past performance does not predict future returns.
References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable. Janus Henderson Investors, its affiliated advisor, or its employees, may have a position in the securities mentioned. There is no guarantee that past trends will continue, or forecasts will be realised.
*For benchmark and sector, if applicable, refer to Fund details on page 3. For relevant descriptions, risks and the Fund's investment policy statement, refer to Additional fund information on page 4.

The primary detractors in the long book included interest rate-sensitive positions such as building materials companies CRH and Saint Gobain. They came under pressure as bond yields rose and sentiment towards economically sensitive cyclical businesses deteriorated. While near-term market conditions remain challenging, we retain conviction in the underlying fundamentals of these businesses and continue to offset some of the macroeconomic exposure through selective short positions where we have lower conviction. Medical technology company Convatec also detracted amid the higher interest rate environment.

The short book contributed positively overall, driven primarily by a number of tactical consumer-oriented positions. Performance reflected a combination of sector-specific and company-specific challenges. For example, a short position in a chocolate manufacturer contributed after the company cut sales growth guidance (forecasts), citing increased consumer price sensitivity and softer demand.

During the month, portfolio activity reflected a continuation of the more active capital deployment that has characterised recent months. We increased exposure to select UK regulated utilities stocks, including National Grid, following recent share price weakness, where we continue to see compelling long-term value. While rising bond yields have weighed on sentiment, we believe the market may underestimate the ability of these businesses to recover higher financing costs through the regulatory framework over time.

Conversely, we reduced exposure to select banking holdings, most notably Lloyds. While we continue to view the company favourably from an operational perspective, we find that valuations are less compelling than previously, and uncertainty surrounding potential fiscal measures affecting the sector ahead of the UK Budget led us to adopt a more balanced exposure.

Finally, we selectively increased exposure to what we view as the latest iteration of second-order AI beneficiaries within drug discovery and development, where AI has the potential to accelerate the pace of innovation, increase industry volumes, and drive demand for manufacturing capacity.

Manager outlook

Financial markets have contended with significant volatility and uncertainty this year, underscoring what we believe is a structural shift towards a regime where both geopolitical and economic disruption have become the norm. We believe this backdrop increases the appeal of strategies that aim to provide diversification and differentiated drivers of returns, particularly while equity-bond correlations remain unstable. In our view, portfolio resilience in this environment hinges on adaptability—that is, the ability to shift exposures dynamically, capture opportunities on both sides of the book, and seek to perform amid volatility and dispersion.

Ultimately, we believe a strategy targeting a consistent real return regardless of market direction, with the potential to generate positive returns in weaker periods, may serve an important purpose in navigating the current investment landscape.

Performance (%)

Returns	Cumulative				Annualised		
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
A2 GBP (Net)	0.19	0.36	2.62	4.03	6.30	4.51	3.06
Index	0.31	0.95	2.84	3.89	4.65	3.78	2.08

Calendar year	YTD at Q3 2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A2 GBP (Net)	2.62	6.92	6.88	6.98	-0.98	3.53	2.23	3.55	-3.28	2.86	1.22
Index	2.84	4.41	5.33	4.86	1.49	0.11	0.23	0.75	0.60	0.29	0.40

Performance is on a net of fees basis, with gross income reinvested. Source: at 30/09/26. © 2026 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance does not predict future returns.** Performance/performance target related data will display only where relevant to the share class inception date and annualised target time period. **The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.** Source for target returns (where applicable) - Janus Henderson Investors.

Fund charges will impact the value of your investment. In particular, the ongoing charges applicable to each fund will dilute investment performance, particularly over time. For further explanation of charges please visit our Fund Charges page at www.janushenderson.com.

Note that any differences among portfolio securities currencies, share class currencies and costs to be paid or represented in currencies other than your home currency will expose you to currency risk. Costs and returns may increase or decrease as a result of currency and exchange rate fluctuations.

Performance fees may be charged before the Fund's outperformance target is reached.

Performance fees are charged separately as a way of rewarding the investment manager for superior returns or for outperforming specified targets. A Performance Fee is accrued where the NAV outperforms the relevant Hurdle NAV (subject to a High Water Mark). For further explanation of the performance fee calculation methodology please see the relevant prospectus, available at www.janushenderson.com.

Investment objective

The Fund aims to achieve a positive (absolute) return, regardless of market conditions, over any 12-month period. A positive return is not guaranteed over this or any time period and, particularly over the shorter term, the Fund may experience periods of negative returns. Consequently, your capital is at risk. Performance target: To outperform the Bank of England Base Rate, after the deduction of charges, over any 3 year period.

For the fund's investment policy, refer to the Additional fund information on page 4.
Past performance does not predict future returns.

Fund details

Inception date	24 March 2005
Total net assets	2.20bn
Asset class	Equities
Domicile	Luxembourg
Structure	SICAV
Base currency	GBP
Index	Bank of England Base Rate
Morningstar sector	Long/Short Equity - UK
SFDR category	Article 8

In accordance with the Sustainable Finance Disclosure Regulation, the Fund is classified as Article 8 and promotes, among other characteristics, environmental and/or social characteristics, and invests in companies with good governance practices.

Additional fund information

Tax assumptions and reliefs depend upon an investor's particular circumstances and may be subject to change. Availability of share classes shown may be limited by law in certain jurisdictions. Performance records/scenarios are detailed within the fund's specific KIID/KID; fees and charges, and the respective risk rating may vary. Further information can be found in the fund's prospectus and KIID/KID, which must be reviewed before investing. Please consult your local sales representative and/or financial adviser if you have any queries. This is a Luxembourg SICAV Fund, regulated by the Commission de Surveillance du Secteur Financier (CSSF). These are the views of the author at the time of publication and may differ from the views of other individuals/teams at Janus Henderson Investors. Any securities, funds, sectors or indices mentioned within this article do not constitute or form part of any offer or solicitation to buy or sell them. The information in this commentary does not qualify as an investment recommendation. Investment into the fund will acquire units/shares of the fund itself and not the underlying assets owned by the fund. Cash balances and exposures are based on settled and unsettled trades as at the reporting date.

Investment policy

The Fund invests in shares and makes extensive use of derivatives (complex financial instruments) to take both 'long' and 'short' positions in companies the Investment Manager believes will either rise in value (long positions) or fall in value (short positions) meaning that the Fund may benefit from either scenario. The Fund will hold a significant proportion of its assets in cash and money market instruments as a result of holding derivatives and for when the Investment Manager wishes to take a defensive stance. Conversely, the Fund may also employ 'leverage' (so that the Fund can invest a greater amount than its actual value) when the Investment Manager has greater confidence in the opportunities available. Typically, at least 60% of the exposure to the long and short positions (in aggregate) will be to companies of any size, in any industry, in the UK. Companies may be incorporated or headquartered in the UK, deriving significant revenue from the UK, or listed on the London Stock Exchange. Up to 40% of the long and short exposure may be to non-UK companies. The Fund may also invest at the Investment Manager's discretion in other Transferable Securities, derivative instruments and collective investment schemes. The Investment Manager may also use derivatives (complex financial instruments) to reduce risk or to manage the Fund more efficiently. The Fund is actively managed with reference to the Bank of England Base Rate as this forms the basis of the Fund's performance target and the level above which performance fees may be charged (if applicable). For currency hedged Share Classes, the central bank rate that corresponds with the relevant Share Class currency is used as the basis of the performance comparison and for calculating performance fees. The Investment Manager has complete discretion to choose investments for the Fund and is not constrained by a benchmark.

Investment strategy

The Investment Manager blends core long term and tactical short term ideas to construct the portfolio. Ideas come from a variety of sources including proprietary research, external research and other Janus Henderson investment teams, with the intention of taking long positions in companies with unexpected earnings growth or value creation potential, and short positions in companies where earnings are priced in or where long term value is impaired.

Fund specific risks

Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result. High exposure to a particular country or geographical region carries a higher level of risk than a more broadly diversified portfolio. If the Fund holds assets in currencies other than the base currency of the Fund, or you invest in a share/unit class of a different currency to the Fund (unless hedged, i.e. seeks to mitigate exchange rate movements between the share/unit class currency and the base currency of the Fund), the value of your investment may be impacted by changes in exchange rates. Derivatives may be used to help achieve the investment objective. This can result in leverage (higher levels of debt), which can magnify an investment outcome. Gains or losses may therefore be greater than the cost of the derivative. Derivatives also introduce other risks, in particular, that a derivative counterparty may not meet its contractual obligations. When the Fund, or a share/unit class, seeks to mitigate exchange rate movements of a currency relative to the base currency (hedge), the hedging strategy itself may positively or negatively impact the value of the Fund due to differences in short-term interest rates between the currencies. Securities could become hard to value or to sell at a desired time and price, especially in extreme market conditions when asset prices may be falling, increasing the risk of investment losses. Losses could be incurred if a counterparty became unwilling or unable to meet its obligations, or as a result of failure or delay in operational processes or the failure of a third party provider.

FOR MORE INFORMATION PLEASE VISIT **JANUSHENDERSON.COM**

Janus Henderson
INVESTORS

Source: Janus Henderson Investors, as at 30 September 2026, unless otherwise noted.

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